

AMENDED IN SENATE AUGUST 16, 2006

AMENDED IN SENATE AUGUST 7, 2006

AMENDED IN SENATE AUGUST 22, 2005

AMENDED IN SENATE JUNE 22, 2005

AMENDED IN ASSEMBLY MAY 27, 2005

AMENDED IN ASSEMBLY APRIL 12, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 1643**

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**Introduced by Assembly Member Jones**

February 22, 2005

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An act relating to public employee benefits.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1643, as amended, Jones. Public employees: long-term care.

The Public Employees' Long-Term Care Act authorizes the Board of Administration of the Public Employees' Retirement System to contract with carriers offering long-term care insurance plans. Active and retired members and annuitants of specified counties and public agencies, and certain relatives of those individuals, are authorized to enroll in those long-term care insurance plans if they meet eligibility and underwriting criteria.

This bill would require the California Institute on Human Services at Sonoma State University, with assistance from the Board of Administration of the Public Employees' Retirement System, to contract with an organization experienced in disability policy and demographic research to conduct a study concerning long-term care,

as specified, and submit a report on the study to the Legislature by December 31, 2008.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. (a) The California Institute on Human Services  
2 at Sonoma State University shall contract with an organization  
3 experienced in disability policy and demographic research to  
4 conduct a study to determine the feasibility of expanding the  
5 long-term care insurance program offered through the Public  
6 Employees' Retirement System pursuant to Section 21661 of the  
7 Government Code, to provide coverage to additional public  
8 employees and recent retirees with disabilities.  
9 (b) The Board of Administration of the Public Employees'  
10 Retirement System shall assist the California Institute on Human  
11 Services in conducting the study by doing all of the following:  
12 (1) Modifying the application form for the long-term care  
13 insurance program, *or including an insert to be mailed out with*  
14 *the application*, to ask individuals applying for coverage after  
15 January 1, 2007, if they are willing to consent to allow the board  
16 to share data provided on their application with state agencies or  
17 universities conducting research on ways to improve long-term  
18 care insurance coverage, policies, and procedures.  
19 (2) Provide to the California Institute on Human Services or its  
20 contractor information supplied by applicants who are public  
21 employees or retirees and who grant consent pursuant to  
22 paragraph (1).  
23 (3) Work with the California Institute on Human Services to  
24 agree upon a method by which the contractor selected by the  
25 institute shall survey public employees and retirees denied  
26 coverage by the long-term care insurance program prior to the  
27 effective date of this act; provided that the Committee for the  
28 Protection of Human Subjects within the California Health and  
29 Human Services Agency finds that the procedure complies with  
30 the Health Insurance Portability and Accountability Act of 1996  
31 (P.L. 104-191) and other applicable laws protecting  
32 confidentiality of health-related data. The method selected shall  
33 be designed to minimize the workload for the staff of the board

1 while providing the contractor with the ability to survey an  
2 adequate number of individuals at a reasonable cost.

3 (c) In conducting the study, the institute and the selected  
4 contractor shall do all of the following:

5 (1) Survey public employees and retirees denied long-term  
6 care coverage due to eligibility or underwriting criteria, who  
7 agree to participate, to determine whether they would be  
8 interested in participating in the long-term care insurance  
9 program, given various possible premium levels and possible  
10 restrictions on benefits. The institute shall determine the number  
11 of individuals to be surveyed to permit the study to yield valid  
12 and reliable results.

13 (2) Ask potential participants questions designed to gather  
14 information necessary for the study, including, but not limited to,  
15 whether they currently use personal care, whether they would do  
16 so immediately if provided coverage, or whether they reasonably  
17 expect to do so at various future intervals.

18 (3) Establish a task force to meet at least quarterly and advise  
19 the institute and the contractor on conduct of the study, questions  
20 to be included in the questionnaire, and preparation of a report to  
21 the Legislature. The task force shall include representatives of  
22 the Board of Administration of the Public Employees'  
23 Retirement System, the California Health and Human Services  
24 Agency, organizations of public employees with disabilities,  
25 organizations focusing on improving employment opportunities  
26 for persons with disabilities, experts on disability demographics  
27 and the long-term care needs of persons with disabilities, retirees,  
28 unions, and other interested parties.

29 (4) Submit a report to the Legislature by December 31, 2008,  
30 and include all of the following elements:

31 (A) The results of the survey of potential participants.

32 (B) The expected costs of providing coverage without  
33 underwriting criteria.

34 (C) The feasibility and desirability of various options,  
35 including, but not limited to, charging increased premiums for  
36 enrollees not subject to underwriting and imposing increased  
37 waiting periods for those not subject to underwriting.

38 (D) A proposal for a program that would maintain the  
39 financial stability of the plan while balancing the need to cover  
40 the maximum number of individuals with the fewest restrictions

1 on coverage with the need to minimize increased premiums for  
2 those receiving the expanded coverage and for other enrollees.

3 (E) The extent to which the proposal might result in savings to  
4 public benefit programs by encouraging persons with disabilities  
5 to go to work, and eliminating the need for those persons to  
6 deplete assets to qualify for public benefits in order to obtain  
7 long-term care coverage after retirement.

8 (F) Other options for ensuring that persons now excluded from  
9 the long-term care insurance plan are able to obtain long-term  
10 services when needed and are not discouraged from seeking  
11 employment in order to continue receiving public benefits.

12 (d) The California Institute on Human Services ~~shall only be~~  
13 ~~required to undertake and complete the study through funds and~~  
14 *CalPERS shall only be required to undertake, or otherwise assist*  
15 *in, the completion of this study through the use of funds* available  
16 from federal Medicaid Infrastructure Grant Number 91949, and  
17 not through a General Fund appropriation, *or through the use of*  
18 *any funds managed or controlled by CalPERS*. The use of these  
19 funds for this purpose is appropriate for the federal Medicaid  
20 Infrastructure Grant objective, and consistent with California's  
21 comprehensive strategy for the employment of people with  
22 disabilities, as set forth in Chapter 1088 of the Statutes of 2002.